



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Michael R. Pence
Governor

July 2, 2014

The Honorable Sylvia Burwell
Secretary of the Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Madam Secretary,

On behalf of the people of Indiana, I respectfully submit this application to expand the Healthy Indiana Plan under a Section 1115 demonstration waiver.

The Healthy Indiana Plan, which today serves about 45,000 individuals, has achieved positive results over the course of its six-year history. Because the consumer-driven model incentivizes patients to take greater ownership over their health care decisions, Healthy Indiana Plan members utilize health care services in a more responsible manner than traditional Medicaid. The program is also very popular in our state among Healthy Indiana Plan members and non-members alike.

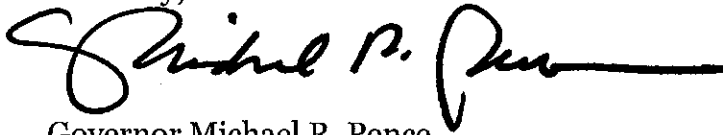
The waiver application we are submitting today, called "HIP 2.0," builds upon the six years of success of the current Healthy Indiana Plan. We have made improvements to the program, replacing traditional Medicaid for all non-disabled Hoosier adults and offering a broader set of consumer-driven health care choices. As you will note in the summary of public comments contained in this waiver, HIP 2.0 has achieved an exceptional level of bipartisan support from a wide array of health care consumers, stakeholders, and legislators in our state.

The State of Indiana is capable and prepared to accept the terms outlined in this waiver and implement the HIP 2.0 expansion as soon as possible following approval. HIP 2.0 represents the culmination of many months of productive, good faith discussions between the State of Indiana and the U.S. Department of Health and Human Services. We are grateful for the cooperation exhibited by your team throughout the past eighteen months of my administration.

However, should the U.S. Department of Health and Human Services require modifications to this waiver that would compromise the Healthy Indiana Plan's consumer-driven approach, the State of Indiana would need to reassess the feasibility of expansion. For this reason, we have concurrently submitted a three-year waiver to extend the Healthy Indiana Plan under the same terms and conditions that exist today in order to protect current enrollees.

Thank you for your consideration of the Healthy Indiana Plan as a viable alternative to traditional Medicaid expansion. I look forward to working with you further to achieve approval of this successful program.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Pence", with a long horizontal flourish extending to the right.

Governor Michael R. Pence